

Land & City Properties (Bollington) Limited

Directors' Report and Financial Statements

For the year ended 31 December 2022

Registered Number SC213825

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Directors' Report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company is that of residential property development. The company collects ground rent on the freehold of a residential development completed by the company.

Results and dividends

The profit for the year ended 31 December 2022 is set out in the Profit and Loss Account on page 7. The directors do not recommend the payment of a dividend (2021: £nil).

Directors

The directors of the company during the year and to the date of this report were as follows:

Ian Murdoch
Julie Jackson

Disclosure of information to auditor

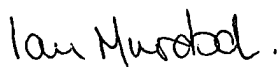
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors have taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



Ian Murdoch
Director
18 December 2023

Miller House
2 Lochside View
Edinburgh
EH12 9DH

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Land & City Properties (Bollington) Limited

Opinion

We have audited the financial statements of Land and City Properties (Bollington) Limited ("the Company") for the year ended 31 December 2022 which comprise the profit and loss account and other comprehensive income, the statement of changes in equity, the balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

Independent Auditor's Report to the Members of Land & City Properties (Bollington) Limited *(continued)*

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue transactions are sufficiently non complex and the point at which revenue can be recognized is sufficiently free from judgement that the risk of a material misstatement within revenue in relation to fraud is acceptably low.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We performed procedures including:

Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unusual cash account combinations and material journals posted after the financial close date.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws and anti-bribery recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent Auditor's Report to the Members of Land & City Properties (Bollington) Limited *(continued)*

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Land & City Properties (Bollington) Limited *(continued)*

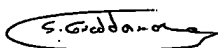
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Slim Gueddana (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG
20 December 2023

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		17,675	18,822
Cost of sales	2	292,071	(826)
Gross profit		309,746	17,996
Administrative expenses		(27)	(26)
Profit before taxation	2	309,719	17,970
Taxation	3	-	-
Profit for the financial year		309,719	17,970

There are no recognised items of Other Comprehensive Income other than those disclosed above.

The notes on pages 10 to 14 form part of these financial statements.

The results for the financial year have been derived from continuing activities.

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2021	1,000	(1,152,933)	(1,151,933)
Profit for the year	-	17,970	17,970
Balance at 31 December 2021	1,000	(1,134,963)	(1,133,963)
Profit for the year	-	309,719	309,719
Balance at 31 December 2022	1,000	(825,244)	(824,244)

The notes on pages 10 to 14 form part of these financial statements.

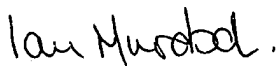
Balance Sheet

As at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors – due within one year	5	45	66
Cash at bank		108,780	92,159
		<u>108,825</u>	<u>92,225</u>
Creditors: amounts falling due within one year	6	(933,069)	(1,226,188)
Net liabilities		<u>(824,244)</u>	<u>(1,133,963)</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		(825,244)	(1,134,963)
Equity shareholders' deficit		<u>(824,244)</u>	<u>(1,133,963)</u>

The notes on pages 10 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 18 December 2023 and were signed on its behalf by:



Ian Murdoch
 Director

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of preparation

Land & City Properties (Bollington) Limited (the "company") is a company limited by shares incorporated, registered and domiciled in Scotland in the UK. The registered address is Miller House, 2 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH.

These company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling.

The company's results are consolidated within the results of its intermediate parent company Miller Homes Group Limited. The consolidated financial statements of Miller Homes Group Limited are prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS") and are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Miller Homes Group Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

In line with FRS 102.33.1A, the Company is not required to disclose transactions with fellow wholly-owned subsidiaries.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

At the year end, the company had net liabilities and net current liabilities of £824,244. It manages its day to day and medium term funding requirements through cash balances and intercompany loans from its fellow subsidiary undertaking. These balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business.

Notes (continued)

1. Accounting policies (continued)

Going concern (continued)

The directors have considered the cashflow requirements of the business for the twelve months from the date of approval of these financial statements. This assessment is dependent on the company's fellow subsidiary not seeking repayment of the outstanding amounts disclosed in note 6 on page 13 of these accounts. Miller Homes Limited has indicated that they do not intend to seek repayment of these amounts for the period covered by the assessment. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Turnover

Turnover represents the invoiced value of ground rent sales and other services provided to third parties during the period, exclusive of value added tax.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Notes (continued)

1. Accounting policies (continued)

Taxation (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Expenses and auditor's remuneration

Cost of sales includes a £292,923 credit relating to the release of a cost accrual.

Auditor's remuneration of £10,000 (2021: £1,500) has been borne by Miller Homes Limited, a fellow subsidiary company, during the year.

3. Taxation

Analysis of charge for the year

	2022 £	2021 £
UK corporation tax		
Total current tax charge	-	-
Tax charge for the year	-	-

Factors affecting tax charge for the year

The current tax charge for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 22% (2021: 19%) including 4% Residential Property Developer Tax (RPDT).

	2022 £	2021 £
Tax reconciliation		
Profit for the year	309,719	17,970
Total tax charge	-	-
Profit excluding tax	309,719	17,970
Current tax at standard rate of Corporation Tax	68,138	3,414
<i>Effect of:</i>		
Group relief claimed at nil consideration	(68,138)	(3,414)
Total tax charge	-	-

The UK Corporation Tax rate increased to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

4. Director and staff costs

The company has no employees (2021: nil). The directors did not receive any remuneration from the company during the year (2021: £nil).

Notes (continued)

5. Debtors: amounts falling due within one year

	2022 £	2021 £
Other debtors	45	66
	<u>45</u>	<u>66</u>

6. Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to parent undertakings	922,643	922,840
Accruals and deferred income	10,426	303,348
	<u>933,069</u>	<u>1,226,188</u>

7. Called up share capital

	2022 £	2021 £
<i>Allotted and fully paid</i>		
500 Ordinary 'A' shares of £1 each	500	500
500 Ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

Both "A" and "B" shares have the same voting rights and rank *pari passu* as set out in the Memorandum and Articles of Association of the company.

8. Accounting estimates and judgements

Key sources of estimation uncertainty

The company believes that there are no areas of material estimation uncertainty which affect the financial results.

9. Immediate and ultimate parent company

The Company's immediate parent company is Miller Residential Development Services Limited, which has its registered office address at 2 Lochside View, Edinburgh, EH12 9DH. The ultimate parent company is AP Castle Holdings SCSp, which has its registered office address at 7 Rue de la Chapelle, L-1325, Luxembourg.

The largest group in which the results of this Company are consolidated is that headed by Castle-Builder Topco Limited, which has its registered office at PO Box 536, 13-14 Esplanade, St Helier, Jersey JE4 5UR. The consolidated financial statements of this group are not available to the public.

The smallest group in which the results of this Company are consolidated is that headed by Miller Homes Group Limited, which has its registered office at 2 Centro Place, Pride Park, Derby DE24 8RF. The consolidated financial statements of this groups are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Notes *(continued)*

9. Immediate and ultimate parent company

At the date of approval of these financial statements the Company was ultimately controlled by funds controlled by Apollo Global Management Inc whose address is 9 West 57th Street, 42nd Floor, New York, United States of America.